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# Retirement intentions and actual retirement

Follow-up study based on the data of the study Flexible retirement age

The study analyses on the basis of Beehr's model the pension contingency as a process where actual retirement is preceded by retirement thoughts. The study surveys the realisation of retirement intentions and the factors which explain, on one hand, the intentions of staying on at work and, on the other hand, the actual pension contingency. The study also investigates whether the accelerated accrual rate is significant for postponed retirement.

The follow-up study based on register data indicates that retirement was postponed from the timing planned. By the end of 2006 people had retired at a slightly slower pace than estimated in the survey of autumn 2003. Despite these deviations the retirement intentions predicted later retirement. The retirement intentions were realised the better, the later the retirement occurred.

The intentions of staying on at work were in the statistical models most consistently connected to gender, work ability, mental strain, and the employer's attitude to ageing employees. Intentions of staying on at work were commoner when the person was a male, the work ability was good, mental strain did not occur, and the employer supported ageing employees' staying on at work until retirement age. Coverage by supplementary pension provision arranged by the employer, an estimated good income in retirement, information about the size of the future old-age pension, and work in a company with a large number of employees were, on the other hand, factors connected to plans of earlier retirement.

Actual retirement was affected by age and gender, but also by factors related to the work and to economic issues. The oldest wage earners as well as the men stayed on at work at least until the age of 63. A short working career, impaired work ability and supplementary pension provision arranged by the employer, for their part, induced earlier retirement. Retirement after the age of 63 was commoner for the oldest employees and for the women. In addition the experience of the work being the most important life area, the employer's positive attitude to continued stay at work, and the accelerated accrual rate postponed retirement. The observed outcome as regards the accelerated accrual rate indicates that the 2005 pension reform steers retirement in the targeted direction.

The study is based on the survey data of the study Flexible retirement age (n = 1 357) on private-sector wage earners. The survey data have been combined with register data regarding pension contingencies in 2003–2006. The statistical analysis method used was logistic regression analysis, where the variables to be explained were planned retirement age, willingness to work after the age of 63 encouraged by the accelerated accrual rate of 4.5 per cent, willingness to work while retired, and actual retirement. The explanatory variables were socio-demographic factors as well as variables describing the working conditions and the individual's retirement arrangements.

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